


DEPARTMENTAL POLICIES

POLICY # 413	SUBJECT: Payroll Internal Controls
EFFECTIVE DATE: December 16, 2011 REVISED: April 15, 2013; June 19, 2014	PAGE 1 of 3
AUTHORIZED SIGNATURE: 	

PAYROLL INTERNAL CONTROLS

I. PURPOSE

The purpose of this policy is to provide consistent and effective accounting controls over payroll transactions by ensuring responsibilities associated with financial transactions within the Payroll Human Resource State Technology (PHRST) system are segregated among staff to the extent possible so that no one employee has complete control over the processing and approving of transactions. The Department's Payroll Internal Controls Policy and operating procedures are designed to reduce the likelihood of error and minimize the risk of perpetrating fraud and/or concealing errors in the normal course of an employee's payroll duties.

This policy applies to all Department of Services for Children, Youth and Their Families Timekeepers, Human Resource staff, Fiscal staff, Managers/Supervisors, and Division and Department leadership. The Fiscal Unit, in conjunction with the Human Resource Unit, ensures compliance with financial internal controls by establishing payroll processing procedures.

III PROCEDURES

Human Resource Technicians are responsible for adding, updating and deleting employee records in PHRST.

1. A Human Resource Specialist reviews and approves all personnel transactions.
2. A Human Resource Technician enters the information into PHRST and records the activity on a bi-weekly Activity Report.
3. Another Human Resource Specialist verifies the information entered into PHRST by review of Personnel Actions document in Document Direct on a bi-weekly basis and reviews the bi-weekly Activity Report.

Timekeepers located in each budget unit within the Department act as liaisons with the Human Resource and Payroll Units. The Timekeeper is responsible for reporting payroll exceptions on a bi-weekly payroll time sheet.

1. Payroll exceptions (casual/seasonal hours, overtime, docked pay) are reviewed and approved by the employee's immediate supervisor and/or the Section Head/Regional Administrator.
2. The Timekeeper is responsible for recording payroll exceptions on a payroll timesheet and forwarding it to the Payroll Unit with a copy to the Human Resource Unit.
3. The Human Resource Technician reviews and validates the information recorded on the payroll timesheet. Any discrepancies are reported to the Timekeeper who will submit a Corrective Payroll timesheet if necessary.

The Payroll Unit is responsible for entering payroll data into PHRST utilizing the payroll timesheet and the Activity Report.

1. The Payroll Supervisor (Senior Accountant) reviews the payroll timesheets with the bi-weekly Activity Report. Discrepancies are reported to the Timekeeper and Human Resources.
2. The Payroll Technician (Account Specialist) enters the payroll timesheet data into PHRST.
3. The Payroll Supervisor verifies the payroll timesheet data against the PHRST Payroll Register to ensure accuracy of the data entry.

A Human Resource Specialist and Payroll Supervisor will review the Critical Morning PHRST Reports during payroll processing to ensure accuracy.

Prior to Pay Confirm the Payroll Productions Manager (Fiscal Administrative Officer) or designee signs the totals page of the Payroll Expenditures by Appropriation Report for each DSCYF pay section and submits to PHRST by the established deadline.

The Fiscal Unit is responsible for assigning/updating Earnings Distribution data in PHRST.

1. The Fiscal Management Analyst reviews the bi-weekly Activity Report and makes necessary updates/changes in the PHRST system.
2. The Fiscal Management Analyst will review the Invalid Chart String Errors Report and make changes as necessary.
3. The Payroll Production Manager reviews the data against the Payroll Expenditures by Appropriation report in PHRST.
4. The Controller or designee authorizes the expenditure of funds by signing the totals page of the Payroll Expenditure by Appropriation and submitting it via fax to PHRST by the deadline.

The Fiscal Unit is responsible for reconciling PHRST payroll reports to FSF appropriation and expenditure reports. Fiscal also produces monthly payroll expenditure reports which track actual expenditures to date against both state and federal salary appropriations.

1. The Fiscal Administrative Officer reconciles PHRST payroll reports to FSF general ledger expenditure by appropriation reports and produces DSCYF's monthly payroll expenditure report.
2. The Controller reviews and approves the data.

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3. The data is shared with Division Directors, Deputy Directors and the Departmental Budget Analyst.

The Department is committed to auditing payroll on a continuous basis to ensure compliance with Federal and State rules, regulations and procedures. Recoupment of funds erroneously issued is made in accordance with PHRST procedures.

All payroll documentation is securely filed and maintained within the Department's Fiscal Services Payroll Unit. Records are retained in accordance with the State of Delaware's Public Archives State Agency General Records Retention Schedules..

The Department submits updated Payroll Signature Cards to the Division of Accounting annually. The signature cards contains names of employees designated to sign the totals page of the Payroll Expenditures by Appropriation Report. Updated Payroll Signature Cards will be submitted to Division of Accounting if there is a change in persons authorized to sign during the course of the year.